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October 6, 2004

Ref: 2976-22054

Honorable James H. Welsh Commissioner of Conservation Post Office Box 94275 Baton Rouge, LA 70804-4275

Re:

Hearing Application

Exposito A Zone, Reservoir B

LAPEYROUSE FIELD

Terrebonne Parish, Louisiana Applicant: Castex Energy, Inc.

Dear Mr. Commissioner:

In accordance with the Rules of Procedure for Conducting Hearings Before the Commissioner of Conservation of the State of Louisiana, application is hereby made on behalf of **Castex Energy**, **Inc**. for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relating to the Exposito A Zone, Reservoir B, Lapeyrouse Field, Terrebonne Parish, Louisiana.

- 1. To grant an exception to the spacing provisions of Statewide order No. 29-E and to create a single drilling and production unit of approximately 151 acres for the Exposito A Zone, Reservoir B, designated as the Exposito A RB SUA, Lapeyrouse Field, Terrebonne Parish, Louisiana, all as shown more particularly on the attached plat;
- 2. To establish rules and regulations governing the exploration for and production of gas and condensate from said unit;
- 3. To confirm Castex Energy, Inc. as operator and to designate the Castex Energy, Inc.-Smith No. 1 (formerly Wurzlow No. 2 Well) Well as the unit well for the Exposito A Zone, Reservoir B created herein;
- 4. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the unit so created, with each tract sharing in unit production on a surface acreage basis of participation;
- 5. To consider such other matters relating to the subject reservoir as may be appropriate and justified by the evidence presented at the public hearing;

GAMD-laf:27049-1

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The Exposito A Zone, Reservoir B in the Lapeyrouse Field, Terrebonne Parish, Louisiana is hereby defined as being that gas and condensate bearing Zone between the measured depths of 13,909 feet (-13,172' subsea) and 14,216 feet (-13,365' subsea) (electrical log measurements) in the Castex Energy, Inc.-William K. Wurzlow No. 2 Well, located in Section 104, Township 20 South, Range 18 East.

In compliance with the Rules of Procedure for Conducting Hearings Before the Commissioner of Conservation of the State of Louisiana, a pre-application conference was held in Lafayette, Louisiana on October 6, 2004. Attached hereto and made a part hereof is a list of the names and addresses of the parties who were in attendance at that conference.

The conference was opened by Mr. B. J. Duplantis. Mr. Art Christy of W. H. Robbins & Associates presented the plan of applicant. Questions were asked and answered. It is anticipated that there will be no opposition at the public hearing on this matter.

Upon receipt of the legal notice in the captioned matter, the notice will be posted, published and mailed in accordance with Rule 7 of the Rules of Procedure.

Attached hereto and made a part hereof is a plat outlining the Exposito A RB SUA, Terrebonne Parish, Louisiana, and a list of the names and addresses of the interested owners, represented parties and interested parties to whom this notice is being sent. It is hereby certified that a reasonable effort was made to ascertain the names and addresses of all interested owners, represented parties and interested parties.

A copy of the list of the names and addresses of the interested owners, represented parties and interested parties is not being mailed to those parties along with this pre-application notice. Should any such party desire a copy of this list, however, we will be glad to provide one upon request.

Any pertinent data relating to the proposed unit can be obtained, AT THE COST OF THE REQUESTING PARTY, from Mr. Art Christy of W. H. Robbins & Associates, 140 Rue Beauregard, Suite 100, Lafayette, Louisiana 70508 (337) 232-5004.

Finally, there is enclosed herewith our check on behalf of the applicant in the amount of \$755.00, made payable to the Office of Conservation, representing the required hearing application fee.

Verv truly yours

BJD/ht Attachments

cc: Mr. Richard D. Hudson

District Manager, Office of Conservation

All Interested Owners, Represented Parties and Interested Parties and parties on attendance list

